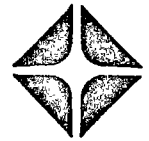


ANACONDA Minerals Company

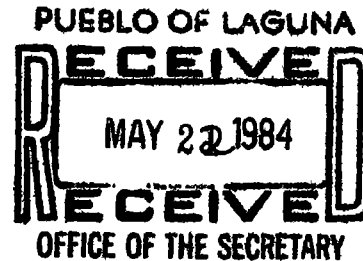
555 Seventeenth Street
Denver, Colorado 80202
Telephone 303 293 4119

Ben L. Odom
Senior Vice President



April 25, 1984

Tribal Council
Pueblo of Laguna
P.O. 194
Laguna, New Mexico 87026



Gentlemen:

I wish to express my appreciation for the opportunity to personally present our reclamation plan to you at your Tribal Council meeting on April 10.

As part of our presentation, we also offered to pay the Pueblo of Laguna the amount of money necessary to complete the reclamation described in our Green Book plan. In addition, we offered to donate certain property associated with the Jackpile-Paguate Mine site to the Pueblo. The offer and the conditions of the offer are described in my letter of August 2, 1983 to former Governor Martinez.

At your request, we are now making arrangements to make this presentation to all six villages of the Pueblo of Laguna. Our purpose in making these presentations is to enable the Pueblo of Laguna to better understand the reclamation plan and the cash offer.

As we indicated in our presentation to you on April 10, Anaconda desires a timely resolution of this offer, and accordingly wishes to establish a deadline for the Pueblo to agree to our offer in principle. The deadline for action on our proposal is 30 days from the estimated date of the last presentation to the villages, which we expect to be no later than May 4. Thus, if we do not have an agreement in principle by June 4, 1984, we will withdraw the offer.

The agreement in principle is an agreement to accept Anaconda's cash offer to do the reclamation described in Anaconda's Green Book plan, accept sole responsibility for all reclamation to be done at the Jackpile-Paguate Mine Site and to obtain preliminary approval of this agreement from all appropriate governmental agencies including the Department of Interior.

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A brief review of the history of Anaconda's efforts to seek agreement on a reclamation plan may be helpful.

In response to a demand by the Geological Survey, Anaconda prepared its first draft mine plan in November 1973. In response to a second demand from the Survey, a new and comprehensive plan, known as the Blue Book, was submitted in 1977; the Survey took no action on this plan. In 1979 Anaconda submitted another plan, known as the Red Book, which reflected additional surface disturbance; the Geological Survey took no action on that plan. Following Anaconda's decision to close the Jackpile/Paguate Mine, we submitted a third plan, known as the Orange Book, in September 1980. The Orange Book was withdrawn in August 1981 because of the proposed highway relocation, and changing regulatory requirements. In the spring of 1982, a fourth reclamation plan was submitted known as the Green Book. This plan has been before the Pueblo of Laguna, the BIA and the Mineral Management Survey for over two years and has been neither accepted or rejected. In the meantime on February 19, 1981, the USGS and BIA jointly published a Notice of Intent to prepare an environmental impact statement. Preparation of the statement has been in progress for over three years; a draft EIS has yet to be published. Although we have cooperated with the agencies, Anaconda does not now believe, nor has it ever believed, that an EIS is required for a decision on reclamation of the Jackpile/Paguate Mine. A final decision under the EIS process could take several more years, especially if additional technical studies are commissioned.

Anaconda has tabled a responsible and technically defensible plan, and feels that it is necessary to establish a time frame for reclamation of the Jackpile-Paguate Mine. As I stated in our meeting, Anaconda has a need to get on with its business and needs to have an agreement in principle by June 4.

I look forward to your response. Please feel free to contact the people in the Grants office or me if you have further questions relating to the offer or reclamation plan.

Sincerely,



B. L. Odom